

ACCOUNTING PROCEDURE

TOPIC: Section 8--Fixed Assets 5.0	EFFECTIVE DATE: 2/28/89
TITLE: Disposition of State-Owned Equipment	REVISION DATE: 7/19/02
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POLICY

Department of Health and Family Services (DHFS) organizations need to be careful to comply with all Wisconsin and Federal laws when disposing of state-owned assets. Surplus state-owned assets has one or more of the following characteristics:

- The asset is in excess of agency needs.
- The asset is due for replacement.
- The asset is no longer in active use by the agency.
- The asset is technically or mechanically obsolete.
- The asset is no longer functioning.
- The continued retention of the asset is not economical

If an asset is purchased with federal funds, the safekeeping and disposal of the asset must be handled in accordance with federal requirements. If you have any questions, refer to the Division of Management and Technology-Bureau of Fiscal Services (DMT-BFS), Program and Federal Accounting Section.

The Department of Administration (DOA) Bureau of Procurement administers the surplus property program. DMT-Office of Purchasing serves as the Department's surplus property manager.

The following methods are acceptable methods of disposal:

1. Transfer or sale of property to another state agency.
2. Transfer or sale to a municipality as defined in s. 66.0301(1).
3. Sale to public by one of the following:
 - a) Competitive bid
 - b) Public auction (electronic or tangible event at the public location)
 - c) Open negotiated & documented sale
 - d) Offer to the public at a fixed sale price
4. Trade-in on replacement equipment
5. Sale for salvage value
6. Scrap for no or limited value

7. Destruction when security/confidentiality is required or when other methods of disposal might be hazardous to the public.

Additional notes on disposals are:

1. Donations of state property to private individuals, for-profit organizations or state employees are prohibited.
2. Donations to non-profit organizations are permitted however:
 - a) It must be done in a competitive manner
 - b) Can't pick one non-profit over another
 - c) Must be equal and fair
 - d) Must be minimal or no value
 - e) Examples of acceptable methods are advertising in newspaper for a first come-first serve basis, take bids/sale or a lottery method.
3. Sales to state employees are prohibited unless items are sold at announced public sales or auctions.
4. There are restrictions on the disposal of certain major appliances, including air conditioners, clothes washers and dryers, dishwashers, freezers, microwave ovens, ovens, refrigerators and stoves.
5. For questions, contact the DOA State Surplus Property Program (SSPP) manager at 608/266-1719.

PROCEDURES

According to the State Procurement Manual part PRO-F-3, the state surplus property disposal procedures are:

1. DHFS organizations have the authority to dispose of property with a current market value of \$1,500 or less and an original purchase price of less than \$10,000. No approval or reporting is necessary.
2. Assets with a current market value over \$1,500 and up to \$10,000 and an original purchase price of less than \$10,000 requires a summary report to be submitted to SSPP. This is no pre-sale approval required.
3. Assets with a current market value greater or equal to \$10,000 or have an original purchase price of \$10,000 or more, require prior approval from SSPP with the Surplus Property Declaration/Authorization report (form DOA-3178) See reference section to directions to the DOA forms.

Microcomputer Redistribution

DHFS has a large investment in computer hardware that must be managed wisely. Refer to BIS Policy 1.3 that describes how DHFS will redistribute microcomputers to maximize the useful life of these assets.

REFERENCES

BIS Policy 1.3 (Found on the intranet at:

<http://dhfsweb/IT/Policies/Policies&Standards/ITPolicy.htm>

State Procurement Manual PRO-F-1 - Surplus Property Disposal -
Vehicles and Related Equipment (See Below)

State Procurement Manual PRO-F-3 - Surplus Property Disposal -
Non-vehicles (See Below)

Wisconsin Administration Code, Chapter Adm 11 (See Below)

Wisconsin Statutes 16.72(4)(b); 16.72(5)(a),(b),(c); 66.0301(1); 77.54(7m)
www.legis.state.wi.us/rsb/stats.html.

Directions to Procurement Manual

To view the policies and procedures for disposition of State-Owned Equipment go to <http://vendornet.state.wi.us/> to bring up the login screen. Then click on login, and enter **dhfs** as your ID and **view** as your password. This will get you into the system. Scroll down to the State Procurement Manual. From there you can get to the PRO-F chapters on surplus property disposal.

Directions to WI Admin Code, Chapter Adm 11

To view the Wisconsin Administration Code go to <http://www.legis.state.wi.us/rsb/code/index.html>. Go to Composite Table of Contents. Then click on ADM. Then click on chapter 11.

Directions to DOA Forms

Go to <http://vendornet.state.wi.us/> to bring up the login screen. Then click on login, and enter **dhfs** as your ID and **view** as your password. This will get you into the system. Scroll down to Download DOA Purchasing Forms. Form-3178 will be found under Miscellaneous.

CONTACTS

State Surplus Property Program

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